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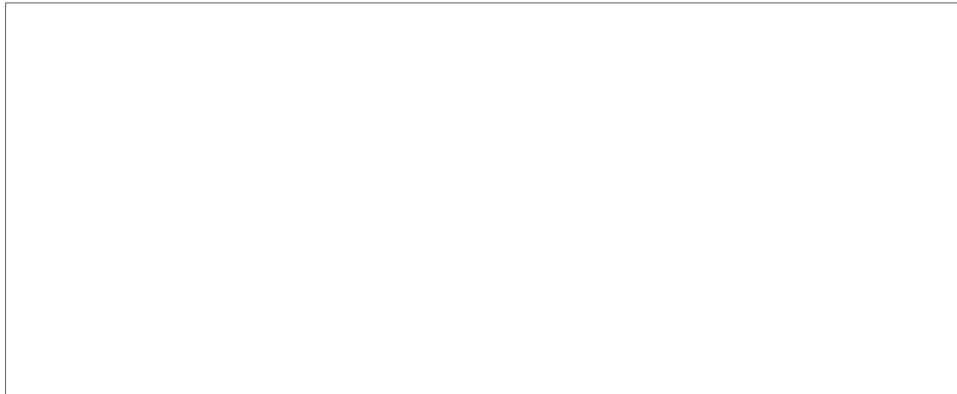
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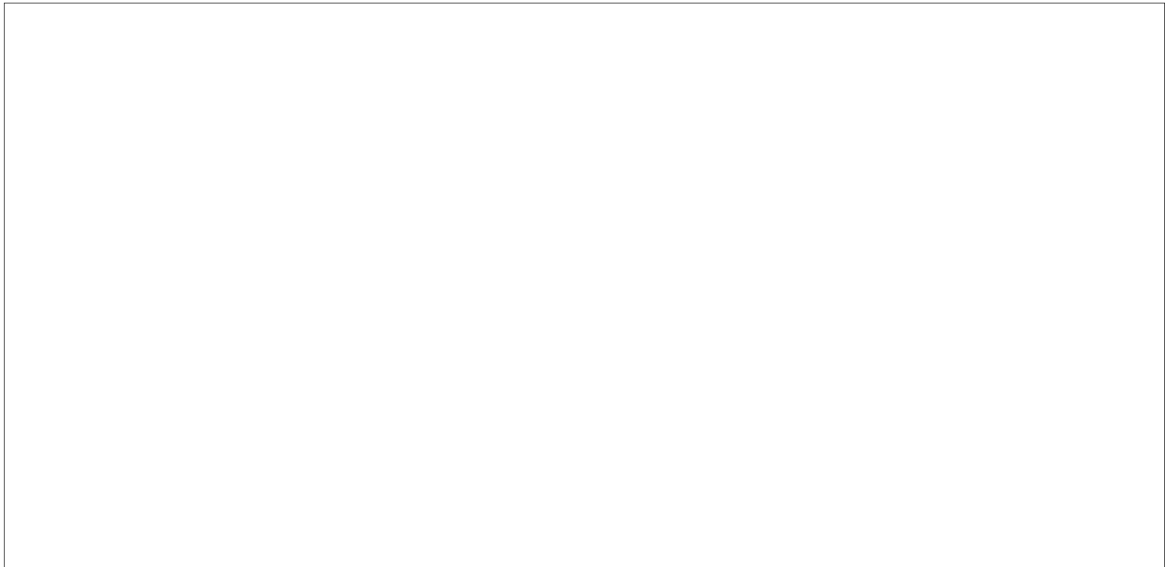
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### SUMMARY

#### Indochina



**Political:** After considerable frustration and hesitation, Premier-designate Ngo Dinh Diem has succeeded in forming a cabinet list which will be submitted for Bao Dai's approval. The list includes a majority of north and central Vietnam representatives, thereby symbolizing Diem's determination to resist partition of the country. Only two persons on the list have had previous government experience.

Vietnamese in general are deeply angered by what the American embassy describes as the "cold-blooded abandonment" of the south Tonkin population, and there is a growing possibility of acts of violence against Frenchmen and other Westerners by non-Communist Vietnamese.

Aside from his opposition to partition, Diem has produced little in the way of a program, and has privately said he is virtually unable to do so unless he is more fully informed of French and American intentions.

The American chargé at Saigon describes Diem as "a messiah without a message," and says of him:

"His only formulated policy is to ask immediate American assistance in every form, including refugee relief, training of troops and armed military intervention. His only present emotion, other than a lively appreciation of himself, is a blind hatred for the French."

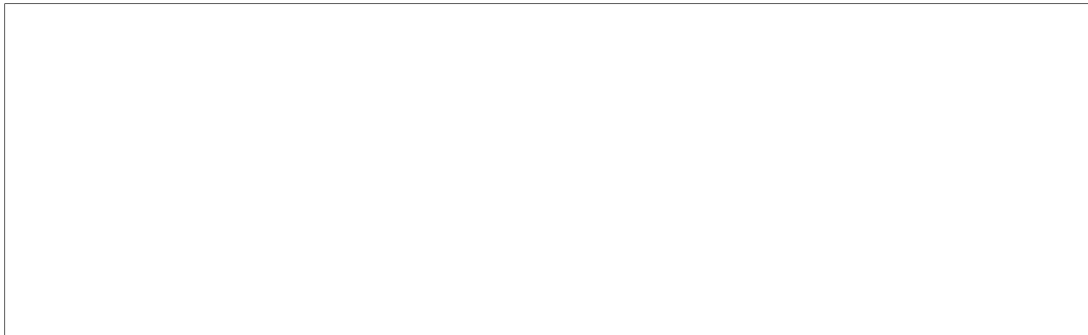
#### Geneva Conference

Mendes-France, Eden, Molotov and Chou En-lai are expected to arrive in Geneva in the next few days to resume the Indochina talks at the ministerial level.

The Communists appear to be pressing for an Indochina settlement which would involve:

- (1) Partition of Vietnam at the 13th parallel, with general elections to follow soon.
- (2) Communist control of some part of northern Laos, with steps being taken toward a coalition government and with non-Communist Laos neutralized.

- (3) Neutralization of Cambodia, with some form of recognition to be accorded the "resistance movement" there.



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## INDOCHINA

Political

Vietnam: After considerable hesitation and frustration, Premier-designate Ngo Dinh Diem has succeeded in forming a cabinet list, which will be submitted for Bao Dai's approval. Diem is apparently willing to accept General Ely's public statement that Tonkin will be defended as meeting his essential prerequisite for the formation of a new government.

Vietnamese in general are nevertheless deeply angered by what the American embassy describes as the "cold-blooded abandonment" of the south Tonkin population, and there is a growing possibility of acts of violence against Frenchmen and other Westerners by non-Communist Vietnamese.

One such incident took place at Phat Diem, according to the local bishop, when Vietnamese militia accompanying civilian evacuees fired on French troops, and were in turn bombed by French aircraft. French officials categorically denied any such bombings, as well as other atrocity stories, but admit that their general acceptance by the Vietnamese poses a critical political problem.

The new cabinet list, which has not been officially confirmed, includes a majority of north and central Vietnam representatives, thereby symbolizing Premier Diem's determination to resist partition of the country by whatever means. Only two persons on the list have had previous government experience.

Diem issued a statement on 2 July describing the regrouping of forces in Tonkin as temporary and asserting the government plans to redress this situation in the near future. To carry out these plans--termed "unrealistic" by the Hanoi consulate--Diem has appointed a three-man administrative committee in Tonkin which will include the ardent Catholic nationalists Hoang Co Binh and Tran Trung Dung and a Vietnamese colonel.

Dr. Binh, the chairman, told the American consul there was no doubt whatever that the French would soon evacuate Hanoi, but that his committee intended to defend the city if possible and at that time would wish to call on the United States for aid. Binh estimates he will have available in Tonkin about 127,000 national army troops and militiamen.

Further evidence to the Vietnamese that they can expect little co-operation from the French is the breakdown of prolonged efforts by the north Vietnamese authorities to obtain arms from the French for local militia forces. Having withdrawn their forces from much of Tonkin, the French can now argue, the embassy points out, that delivery of weapons is precluded by the danger of their falling into the hands of the Viet Minh.

Aside from his antipartition stand, Diem has produced little in the way of a program, and he has privately said he is virtually unable to do so unless he is more fully informed of French and American intentions.

The American chargé at Saigon describes Diem as "a messiah without a message," and says of him: "His only formulated policy is to ask for immediate American assistance in every form, including refugee relief, training of troops, and armed military intervention. His only present emotion, other than a lively appreciation of himself, is a blind hatred for the French."

The conviction is growing among Vietnamese that French military regroupment and French negotiations with the Communists at Geneva and in the field are leading inevitably to the total ruin of any non-Communist force in Vietnam. This belief may impel Diem to carry out his reported threat to break with the French Union and attempt to "go it alone" against the Viet Minh, resisting to the extent possible and compromising as necessary.



Although such a policy would offer little hope of success, the great majority of non-Communist Vietnamese would unquestionably prefer to seek the eventual political overthrow of Communist power within a unified Vietnam rather than a military build-up in the south following partition.

American embassy officials who attended a general discussion among the student body of the school for high-level Vietnamese administrators were struck by the strength of neutralist sentiment in evidence there.

Viet Minh: The announcement by Peiping radio on 6 July that Chou En-lai conferred with Ho Chi Minh somewhere near the China-Vietnam frontier after leaving Hong Kong was probably designed to lend weight to the Viet Minh's international position and to express the close relationship between the two governments, now that China has little fear of being called on to intervene militarily. The nature of the discussion was not disclosed.

Laos: In a conversation with the American chargé in Saigon on 29 June, Crown Prince Savang firmly reiterated his government's position that Laos was interested only in securing the withdrawal of Viet Minh forces from its territory and would entertain no thought of making concessions to the Communists.

Savang said he was frankly suspicious of French intentions and would disavow any concessions made by the French on behalf of Laos. He stated further that Laos would "fight on alone" if necessary, and would certainly appeal to the United Nations. He said he would like assurance of American moral and material support, although he fully recognized there was no question of American military intervention.

He feels that if the United States is to continue its military and economic aid to Laos, it should be delivered directly and not through French channels.

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## GENEVA CONFERENCE

Mendes-France, Eden, Molotov and Chou En-lai are expected to arrive in Geneva in the next few days to resume the Indochina talks at the ministerial level. The military staffs which have been discussing "regrouping areas" in Vietnam and questions relating to a truce in Laos and Cambodia are to submit their reports on or about 12 July.

The Communists appear to be pressing for an Indochina settlement which would involve:

- (1) Partition of Vietnam at the 13th parallel (see map, p. 11), with early general elections to follow.
- (2) Communist control of some part of northern Laos, with steps being taken toward a coalition government and with non-Communist Laos neutralized.
- (3) Neutralization of Cambodia, with some form of recognition being accorded the "resistance movement" there.

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### Direct Military Talks

The acting chief of the French delegation at Geneva, Jean Chauvel, said on 29 June that there had been "no progress whatever" in the direct French-Viet Minh military staff talks which began on 2 June to work out "regrouping areas" in Vietnam. The French-Viet Minh military talks in the field, twice postponed, began on 4 July north of Hanoi.

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Direct military staff talks at Geneva between representatives of the French-Laotian command and the Viet Minh, and between the Cambodians and the Viet Minh, have made no progress so far as is known. Ranking officers of the Laotian delegation did not arrive until 2 July, and the Cambodians were delayed until 5 July.

### Supervision and Guarantees of a Truce

There has been little progress in the nine-party discussions on the questions of supervision and guarantees of a truce.

The Communists have continued to demand that mixed committees of the belligerents have the "main responsibility" for implementing a truce, that these committees work parallel with, rather than subordinate to, an international commission, and that both bodies be responsible to the nine "guarantors," among which three Communist states would each have a veto power.

The French seem to be moving in some degree toward the Communist position. The British delegate has also hinted at a possible compromise.

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